

**Hart Schaffner & Marx**

**Sixth Annual Report, November 30, 1916**  
with  
**Auditors' Certificate**

# Hart Schaffner & Marx

Chicago

New York

New York, January 22, 1917.

To the Stockholders:

The Board of Directors herewith submit to you the financial statement of the company for the fiscal year ending November 30, 1916, together with the report of the auditors, Messrs. Price, Waterhouse & Company, Certified Public Accountants.

The volume of sales was the largest in the history of the business. The outlook is favorable.

Yours truly,

HARRY HART,

*President.*

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## Auditors' Report

To the Stockholders of

Hart Schaffner & Marx:

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending on November 30, 1916, and certify that the attached Balance Sheet and Income Account are correctly prepared therefrom.

The Merchandise and Materials on hand, as shown by Inventories certified by the responsible officials, have been valued at or below Cost, and liberal Reserves have been made for Bad and Doubtful Accounts Receivable, Discounts and other contingencies. The Cash and Bank Balances have been verified by actual count or by certificates obtained from the depositaries, and we have satisfied ourselves that full provision has been made for all ascertained Liabilities; and

WE CERTIFY that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company on November 30, 1916, and that the relative Income Account is a fair and correct statement of the Net Profits and Income for the year ending on that date.

PRICE, WATERHOUSE & CO.,

*Certified Public Accountants.*

Chicago, January 4, 1917.

# Hart Schaffner & Marx

Balance Sheet, as at November 30, 1916

## Assets

GOODWILL, TRADE NAMES AND TRADE MARKS.....		\$15,000,000.00
SHOP EQUIPMENT AND FIXTURES, INCLUDING.....		
OFFICE FURNITURE.....	\$462,238.73	
LESS—Depreciation Reserve.....	200,170.43	262,068.30
<b>CURRENT ASSETS:</b>		
Inventories of Materials and Finished and Partly Finished Merchandise on hand (at Cost, less Reserves).....	\$3,350,789.39	
Accounts and Bills Receivable (Net) .....	3,575,442.26	
Cash in Banks and on Hand.....	1,014,452.65	7,940,684.30
<b>DEFERRED CHARGES TO FUTURE OPERATIONS:</b> .....		
Prepaid Insurance Premiums .....		12,776.82
		<u>\$23,215,529.42</u>

## Liabilities

<b>CAPITAL STOCK:</b>		
7% Cumulative Preferred Stock—		
Originally Authorized and Issued—		
50,000 Shares of \$100.00 each.....	\$5,000,000.00	
<b>LESS:</b>		
Redeemed and Cancelled—11,135 Shares of \$100.00 each .....	\$1,113,500.00	
Purchased during the year and held in the Treasury for cancellation—3,170 Shares of \$100.00 each ..	317,000.00	1,430,500.00
		\$ 3,569,500.00
<b>Common Stock—</b>		
Authorized and Issued—		
150,000 Shares of \$100.00 each.....	15,000,000.00	\$18,569,500.00
<b>CURRENT LIABILITIES:</b>		
Accounts and Vouchers Payable.....	\$467,935.75	
Accrued Liabilities for Pay Rolls, Taxes, etc.....	379,413.34	
Preferred Stock Dividend (Payable Dec. 31, 1916)....	62,466.25	909,815.34
<b>RESERVE FUNDS:</b>		
Preferred Stock Redemption Fund.....	\$1,430,500.00	
Reserve for Contingencies.....	150,000.00	1,580,500.00
<b>SURPLUS, as per Statement attached.....</b>		<u>2,155,714.08</u>
		<u>\$23,215,529.42</u>

## Income and Surplus Account

For the Year Ending November 30, 1916

Profits for the year after deducting all Expenses of Manufacturing and Marketing, including adequate Allowances for Federal Income Tax, Discounts and Losses on Customers' Accounts, Depreciation of Shop Equipment, Fixtures, Inventory, etc. ....	\$1,752,424.40
ADD—Interest Received on Bank Balances, etc., less Interest paid .....	39,577.97
Net Profits and Income for the year .....	<u>\$1,792,002.37</u>
<b>DEDUCT—Appropriations therefrom:</b>	
Dividends paid and declared—	
Preferred Stock, 7% per annum .....	\$260,538.65
Common Stock, 4% per annum.....	600,000.00
Preferred Stock Redemption Fund .....	317,000.00
Premiums on Preferred Stock purchased.....	51,892.43
	<u>1,229,431.08</u>
Net surplus for the year .....	\$ 562,571.29
ADD—Balance of Surplus at December 1, 1915 .....	<u>1,593,142.79</u>
Total Unappropriated Surplus at November 30, 1916, as per Balance Sheet.....	<u>\$2,155,714.08</u>